

WITNESS: PARMOD KALIA

STATEMENT NUMBER: WITN0179_01

EXHIBITS: 0

DATED: Jan 26, 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WRITTEN STATEMENT OF PARMOD KALIA

THIS STATEMENT IS PROVIDED IN RESPONSE TO THE RULE 9 REQUEST OF THE PUBLIC INQUIRY DATED 29/10/2021 TO ADDRESS THE HUMAN IMPACT OF THE FAILINGS OF THE HORIZON IT SYSTEM

I, MR PARMOD KALIA, Date of Birth of ADDRESS
 will say as follows:-

PERSONAL BACKGROUND

1. I'm a 63-year-old and volunteer at a charitable organisation called Sachkhand Nanak Dham. This is a spiritual organisation which helps people become one with the almighty. I have lived away from the family home since 2015 after disagreements between me, my wife and children centred around the issue of whether I stole money from the Post Office.

POST OFFICE HISTORY

2. When I was 18 years old, my father was tragically killed. I was studying A-Levels but failed them. As I had an older sister, younger brother and mother, I then had to go to work rather than continuing with my education.
3. In September 1977, I got a job with National Westminster Bank. I did my banking exams and moved my way up the ladder in the banking sector.
4. I left in 1990 when I was an assistant manager, as I felt like I wanted to go into business. I didn't want to go into something with heavy lifting or unsociable hours, but instead wanted something office based so chose the Post Office.
5. An aunt of mine worked in the Post Office who spoke of good times and the salary. There was the element of being your own boss that appealed to me.
6. I became sub-postmaster of the Chipperfield Road Sub-Post Office branch on 1 June 1990 and was in this role until my contract was terminated in September/October 2001.
7. I cannot recall the names of those from the Post Office who interviewed me. My area manager was Ms Christine Adams, my Federation Representative was Mr Norman Bradbrooke and the Relief Sub-postmaster was Mr Singh. I cannot recall his first name.
8. I first became aware of other people being caught up in the Horizon scandal after watching the Panorama programme which aired in 2015. I realised that this is what must also have happened to my post office in 2001.
9. When Horizon was first installed in my Post Office in 2000, I attended a half-day training session at a hotel in Bromley. However, I cannot recall the precise details of the training given. I was also provided with a manual to read, and I recall someone from the Post Office coming to the branch

afterwards to help me with the system. The training I had before the system was introduced was a week or week and a half of training off-site. There were around 10 people in the class. The trainer was also present at my Post Office for a day and a half to assist.

10. Around 6 months after Horizon was introduced, I had some further training which consisted of one evening at a hotel for approximately 2-3 hours.

CRIMINAL ALLEGATIONS AND ANY PROCEEDINGS/CONVICTION

11. In July/August 2001, I was audited which resulted in a £25,000 shortfall being identified and I was subsequently suspended. I was told by the auditors, I would be interviewed and I could have a family member, a solicitor or a Federation Representative present. I called my Federation Rep, Mr Norman Bradbrooke.

12. Following the suggestion from my Federation Representative as to "how quickly can you put this right?", I went to my mother and told her that I needed the money. She went to her building society and got a cheque payable to the Post Office. I was hopeful this would be the end of the matter.

13. It was a couple of days after that I heard back. The Post Office was still closed at this point. They were saying they wanted to hold a formal interview. I spoke to my Federation Representative again and explained the situation. His response was to make up a story and plead guilty and that would give me a minimal sentence or lighter custodial sentence, if necessary.

14. I made up the story that I had been buying shares. I'm not sure why I chose this story, perhaps because I was involved with shares for customers at my previous job at National Westminster Bank, but not from a personal standpoint.

15. The Post Office pursued criminal proceedings against me with one count of theft. I pleaded guilty as I was previously advised to do. I was given a 6-month prison sentence. I served 3 months and spent 3 months on licence.

16. As far as I can recall, these are the dates of disciplinary and criminal proceedings:

- a. Suspension - July 2001
- b. Termination - September 2001
- c. When summons received - October 2001
- d. Attendance at Magistrates Court - December 2001
- e. Crown Court – March 2002
- f. When you were sentenced – March 2002
- g. Released on licence – June 2002
- h. When conviction overturned – 14 May 2021
- i. Court names where case was heard
 - i. Bromley Magistrates Court
 - ii. Croydon Crown Court

17. I borrowed from my mum's savings and gave it to the Post Office within 2 days of the audit.

18. I was advised by my defending solicitor to accept the 6 month sentence, as I would be out in 3 months and there was no point in appealing as it would take that length of time for the courts to process any appeal.

THE HUMAN IMPACT

19. The human impact which the failings of the Horizon IT System have had and continue to have upon me and my family are set out in the remainder of this

statement. The section headings follow the particular questions posed by the Inquiry.

WHAT WERE THE CONSEQUENCES OF BEING REQUIRED TO MAKE GOOD APPARENT SHORTFALLS SHOWN BY THE HORIZON IT SYSTEM?

20. As stated earlier, I had already paid the shortfall prior to the Post Office prosecuting me. I was under the impression following advice from the Federation representative that if I paid the alleged shortfall, the Post Office would leave me alone to get on with running my Post Office. My mother went to her Building Society and wrote a cheque for the sum in full. This was paid to the Post Office.

21. I didn't tell my mum about the reason I asked for money. She begged and pleaded for me to tell her why. It was embarrassing to be asking for money at that age, when I should have been doing something for her rather than the other way round. It caused a rift between me and my siblings. I have an older sister and younger brother. My brother said that I was taking away what was rightfully his inheritance in part, and my sister was never told about my situation or the fact I served a prison term. She was notified just before my appeal was due to be heard at Southwark Crown Court in May 2021. She was understandably annoyed at me for taking Mum's lifesaving.

WHAT WERE THE COSTS OF MAKING GOOD ALLEGED SHORTFALLS SHOWN BY HORIZON?

22. Due to records being unavailable, I am unable to say precisely the amounts paid from profits, savings or other business. However, I do know that there were amounts paid virtually every week since the introduction of Horizon.
23. The only deductions made from remuneration were starting from July 1990 until paid in full, at the beginning of my career with the Post Office. This was known as "the introductory payment".
24. I used personal credit cards after the audit in July 2001 for living costs. I then had to make voluntary arrangements to repay this.
25. I did borrow the £25,000 shortfall from my mum. I did not get chance to pay this back to my mum. She passed away in September 2019. I did not have to sell any assets.

HOW WERE YOU AFFECTED WHEN ALLEGED TO BE RESPONSIBLE FOR SHORTFALLS OR DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

26. I had no idea how big the shortfall was. My first reaction was that I didn't do anything wrong so I went to the Federation to ask for advice. I knew from my contract with the Post Office that I was responsible for all shortfalls, and I only became aware of £25,000 shortfall after the audit. I felt that the shortfalls had gradually built up in 2001. I didn't have money to put in, so I was covering it up by declaring the cash as shown on Horizon. I was in fear of losing my job and losing my post office if an audit was conducted. I knew I would be in big trouble.

27. The standard first point of contact when I noticed a shortfall was the helpline. They would just advise waiting for error notices, or to put the discrepancies into the suspense account and wait for error notices. When these didn't come through, I would then contact the regional manager. I was then told that I would have to 'make it good'.
28. I was told that everyone else was okay with Horizon. Despite the length of time, I had been working for the Post Office, I was just made to feel incompetent.
29. I was audited in July/August 2001, which resulted in a £25,000 shortfall being identified and I was subsequently suspended. I was present at the audit when 3 people from the Post Office turned up at my branch. I did not receive any notice of the audit.
30. My reaction was to stand at the back of the Post Office and let them count what they needed. After carrying out their checks, I was told there was a shortage of over £20,000 and whether I knew anything about it. I was in shock and couldn't believe a discrepancy that large could exist. I advised them I didn't know where the money was.
31. I spoke to the National Federation of Sub Postmasters representative on the phone, and he asked me how quickly I could put the shortfall right and keep it out of the courts. I was shocked that he thought I had committed the offence. Also, I was appalled by the lack of support I received during this time. My world was being turned upside down and no one seemed to believe that I was innocent.
32. I had no option but to ask my mother for the money. She made out a cheque payable to the Post Office, and I hoped this would be the end of the matter.

33. I couldn't believe that I was going to be held responsible for such a large shortfall. I was in shock and distressed that this had come to the surface. I was lost and didn't know what to do.

WHAT WERE THE CONSEQUENCES OF BEING HELD RESPONSIBLE FOR SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

34. The Post Office was closed for about 4-6 weeks. The Post Office then appointed a temporary sub-postmaster and I could not go into the Post Office which was situated within my shop.

35. I tried to be in the shop as little as possible when the Post Office was closed. I would do stock measurement, cash and carry as people would question as to why my Post Office was closed. I advised it was due to auditors. Footfall then decreased in the shop. Customers would talk amongst themselves and whether I had done anything wrong.

36. My contract was terminated by the Post Office around September/October 2001. This was as a direct result of the alleged shortfalls.

37. The Post Office pursued criminal proceedings against me with one count of theft.

38. I had to go to Bromley Magistrates Court in December 2001. My younger brother helped me with finding solicitors. I was advised by my solicitor to pack a bag as I may not be coming home. I pleaded guilty as I was previously advised to do. I was advised that due to the size of the discrepancy, they couldn't deal with the sentencing and so the case had to be referred to the Crown Court. I have since found out that others with bigger discrepancies were dealt with at Magistrates level.

39. I had taken no money and there was no dishonest intent but I was convicted in January or February 2002. To date, I have still not seen any evidence of an adequate investigation regarding the shortfalls.

40. I was given a 6-month prison sentence in March 2002. I served 3 months and spent 3 months on licence.

41. I was put in a prison cell with bunk beds and other people. I kept myself to myself and didn't make any friends in there. I would just go out of my cell for meals and 23 out of 24 hours was in lockdown anyway.

42. I was initially in High Down Prison before being transferred to Ford Open. I took a job in the garden centre there to keep me busy. There was also a factory that meant I could make light fittings. I just tried to keep myself occupied.

WHAT WERE YOUR FINANCIAL LOSSES CAUSED BY ACTION TAKEN AGAINST YOU IN RELIANCE UPON HORIZON DATA?

43. I had to close the Post Office branch and the associated retail business as a result of declining income. The lease was not renewed, so I lost any generated goodwill of the business.

44. I lost my income from the Post Office and also the retail business profit.

45. My wife and son were employed at the Post Office and they also lost their sources of income.

46. I used credit cards for borrowing and had to pay interest for payments.

47. I do remember there being some legal costs but I cannot remember how much.

48. As a result of my conviction my insurance premiums increased for my car, van and my home.

WHAT EFFECT DID IT HAVE TO BE ACCUSED OF COMMITTING CRIMINAL OFFENCES AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

49. After the audit, my Post Office was closed for weeks. Usually after an audit, the Post Office would be closed for 2 or 3 hours. There were rumours circulated amongst the local community that I had stolen money, and people would look at me in my shop as if I did. This was very embarrassing and shameful for me.

50. It was on my mind that I was being accused of being a thief. It played on my mind.

51. I was depressed and feeling very anxious, but I wouldn't show it to anyone. My mental injuries have only surfaced over past couple of years.

52. I attempted suicide on three occasions in 2015. I didn't feel able to reach out to anyone at that point in my life, and it was a horrible and lonely place to be in. My children are encouraging me to go to counselling. I have attempted to begin counselling With Time to Talk since May 2021. I've had about 4 sessions, put a stop to this as I did not find it helpful.

53. I went to my GP in April 2021 as I could not cope anymore.

WHAT WERE THE CONSEQUENCES OF BEING CONVICTED OF A CRIMINAL OFFENCE AS A RESULT OF SHORTFALLS AND DISCREPANCIES SHOWN BY THE HORIZON IT SYSTEM?

54. It has been impossible to find permanent employment due to my conviction. From 2005-2008, I worked as a chauffeur. From 2008-2013, I worked as a mini cab driver.

55. In the community, it has been very difficult to show my face again. I used to be a treasurer of a charity organisation but subsequently that position was taken away from me as well.

56. I have had to deal with the stress, anxiety and depression. I also have had to deal with the shame from the customers, local Asian community, my friends and family.

57. In the last 3 years I have had problems with my eyes and suffer with a condition called Blepharospasm. This also involved involuntary movements around my mouth and lips and excessive blinking. I was treated with Botox but advised this was just a temporary cure and that it could be down to Diabetes.

58. I also have periods of memory loss and 2 months ago, I went to my GP and admitted that I had attempted suicide. My GP provided me with anti-depressants and I have attended 4 sessions of counselling through Time to Talk. However, I did not find this helpful so chose to discontinue the sessions.

WHAT EFFECT DID THESE ISSUES HAVE UPON YOUR RELATIONSHIPS WITH YOUR FAMILY, FRIENDS, COLLEAGUES AND LOCAL COMMUNITY?

59. My four children all had difficulties believing that I never stole money from the Post Office, as I had no explanation as to what happened. Since I was part of the Group Litigation Order in 2018/19, although keeping the children posted, they had little interest despite me keeping them informed. Since my conviction has been quashed, they are beginning to believe that I have been right all along. However, they didn't know at the time. I think they have been confused, and this all happened at a point in their lives when they were young. It must have been a strange time for them, it was such a mess. They have all been

scarred and are themselves seeking counselling, directly in relation to my conviction.

60. I didn't tell my Mum anything about my situation with the Post Office. My brother arranged for my Mum to go to India whilst I was in prison for 2-3 months so she had no clue what was happening. We believed this was best as she wasn't in the best of health at the time.

61. **GRO** my sons, were running the shop until 2008 with my wife. When the lease came up for renewal due to the fall in takings, I could not sell the shop without the Post Office. I just gave the keys back and closed it down. Stock was given away that we didn't want to be lumbered with.

62. One of my closest friends was **GRO** who used to run a post office near to mine. We had a fantastic friendship where we would help each other out. Since the audit we haven't spoken. **GRO** hasn't tried to contact me at all.

63. I was involved in an Asian Community Group and I was the treasurer there. I was in a position of responsibility and felt that I was totally shunned after my experience with the Post Office. This was the biggest community impact for me. I had what I thought to be lifelong friends, and it made me feel abandoned when my friends stopped talking to me. I also had to go to the chairman of the organisation and tell him directly. The chairman gave a statement in my court case about my role as treasurer and that I was trusted.

64. I couldn't return to the community after I was released from prison. The judgement would have been too much, and I knew I wouldn't have been accepted. I lost touch with everyone in the organisation. My children used to go to Sunday school with other children of parents in the organisation, so they lost their friends too.

PLEASE DESCRIBE THE DIRECT AND INDIRECT EFFECT WHICH THESE ISSUES HAD UPON THE MEMBERS OF YOUR FAMILY?

65. **GRO** my third child, had passed her 11 plus exams in 2000 and she went to a fee paying school. After 2001 I had to take her out of the school after two terms and put her in a state school. She lost out on her education and the friends she had. This was due to the lack of post office salary and sales going down in the shop.
66. **GRO** my youngest daughter remembers witnessing lots of intense conversations at the shop from when she was aged around 6 or 7. She realised that something was wrong at the time, but didn't know what. She now understands what those conversations were about, and realises that the reason why she would go to sleep at the shop would be because my wife and I would be trying to find out why there were discrepancies.
67. When I was in prison, although my children did attend the shop and help, the responsibility of running it was down to wife, **GRO** and eldest son, **GRO**. **GRO** My second son, **GRO** was at **GRO** University at the time so he couldn't help out. **GRO** had to give up on his ambitions of becoming an electrical engineer so that he could concentrate on running the shop. **GRO** obtained a business management degree and worked at IBM on a placement in his third year at university. Had **GRO** pursued his career goals, I believe he would have had a similar opportunity.
68. After my conviction, I lost my livelihood and then eventually my shop.
69. My youngest daughter, **GRO** still reminds me how she had to get up at 4am to go to the shop. She was 6 or 7 years of age at the time. Our shop was 10

miles away from home. She would help with the shop and paper round. She would come back to the shop after school and sleep behind the counter and get back home at 11pm.

CULTURAL IMPACT

70. I am British Asian, Indian to be precise. I was born in India and came to the UK in 1965, at the age of 6.
71. Although my education and upbringing are from here in the UK and the UK is my home, I do still have many Asian values and cultures instilled in me. We still have proper curry, as well as burgers and chips.
72. Within the Indian culture, it is frowned upon very seriously and with suspicion if anybody does anything against the law, let alone having to go to court. Prison is absolutely a no go area. No one would want to go anywhere near any family or its members with a prison sentence past or present.
73. Parents would actively disapprove of their children keeping any kind of relationship or friendship with any associate who has a criminal record.
74. Being conscious of this fact, I, with my family went into virtual hiding from our own community from the date of allegation. Even after my release from prison, I had a criminal conviction against my name and my family name was tarnished.
75. Within an Asian family the (emphasis) most important factors are based upon Respect, Reliability, Responsibility and Reputation (emphasis) even more than wealth.
76. When parents start thinking about the marriages of their children, within an arranged marriage system, with the consent of the children, the first things they need to be assured of are respect, reliability, responsibility, and reputation.
77. Knowing this I did not believe that my children would stand a chance to marry someone within the UK, particularly with a conviction of theft around my neck. So, I

had to look for a spouse for my oldest son from India. He subsequently got married in 2005 in India.

78. This is how shameful the situation has been for me and my family.

CONCLUDING REMARKS

79. I'm frustrated because I have been refused an interim payment, and this is putting me through more anguish and anxiety. I can only assume I am being treated differently because of racial connotations.

80. I first found out about the Horizon scandal after watching the Panorama program in 2015. That's when it twigged to me that this had happened to me. I took the initiative to write to Paula Vennels. She didn't reply. I got a standard response from one of the people below her advising there was nothing wrong with Horizon and that I should seek legal advice if I wanted to proceed further. I felt totally dismissed.

81. My feelings towards the Post Office are that of total resentment. Why they would put me and hundreds of other people through this is atrocious. They have no care in the world about how it has affected us emotionally or financially, and still to this day they are carrying on as before, hiding behind lawyers, no morals; no lessons have been learned yet.

Statement Of Truth

I believe that the facts stated in this witness statement are true.

Signed:

GRO

Parmod Kalia (Jan 26, 2022 14:47 GMT)

Position Or

Office Held:

Print Full

Date of signature: Jan 26, 2022

Name: PARMOD KALIA

FILE REFERENCE:

GRO

